

**BOARD OF COUNTY COMMISSIONERS**

**AGENDA ITEM SUMMARY**

Meeting Date: 16 June 2004

Division: Growth Management

Bulk Item: Yes        No X

Department: Marine Resources

**AGENDA ITEM WORDING:**

Discussion of the capital and annualized costs associated with the acquisition of a wastewater pump-out vessel for use in the Key Largo area.

**ITEM BACKGROUND:**

At the 19 May meeting, the Sheriff's Zone Advisory Committee for the Key Largo area suggested the acquisition of a waste pump-out vessel for the area. The Commission provided conceptual approval to the proposal but requested the staff provide estimated capital and annual costs for the project.

**PREVIOUS RELEVANT BOCC ACTION:**

May 2004 – Conceptual approval to acquire a pump-out vessel for the Key Largo area through grant sources

**CONTRACT/AGREEMENT CHANGES:**

NA

**STAFF RECOMMENDATIONS:**

Discussion item

**TOTAL COST:** Being Developed

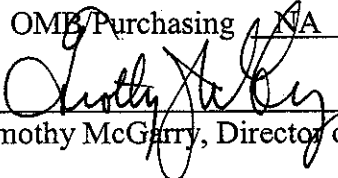
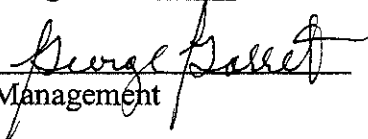
**BUDGETED:** Yes        No       

**COST TO COUNTY:** Being Developed

**SOURCE OF FUNDS:**       

**REVENUE PRODUCING:** Yes X No        **AMOUNT Per Month** Unk. **Year** Unk

**APPROVED BY:** County Atty NA OMB Purchasing NA Risk Management X

**DIVISION DIRECTOR APPROVAL:**   
Timothy McGarry, Director of Growth Management 

**DOCUMENTATION:** Included X To Follow        Not Required       

**DISPOSITION:**       

**AGENDA ITEM NO.:** 24

# Memorandum

**Department of Marine Resources**

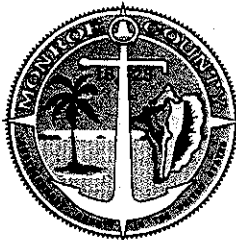
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**Board of County Commissioners**

Mayor Murray Nelson, Dist. 5

Mayor Pro Tem David Rice, Dist. 4

Commissioner Dixie Spehar, Dist. 1

Commissioner George Neugent, Dist. 2

Commissioner Charles "Sonny" McCoy, Dist. 3

DATE: 7 June, 2004

TO: Board of County Commissioners

FROM: George Garrett, Director of Marine Resources *George Garrett*

SUBJECT: Estimated Costs of Pump-out Boat, staffing, and Operation and Maintenance

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At the May Board of Commissioners meeting, the upper Keys Sheriff's Advisory Committee made a presentation to the Commission suggesting that a waste pump-out boat should be purchased and staffed to serve the Key Largo area anchored out boaters. The Commission conceptually approved the proposal and requested that cost estimates be developed by staff.

A budget is attached (Attachment 1) for your review which reflects needs in two areas:

- One-time costs – purchase of a pump-out boat and trailer
- Annual costs – including salaries with benefits, required liability and other insurance, operation and maintenance costs, boat equipment, and other necessary expenses.

The cost of the program can be borne in several ways. A Clean Vessel Act grant can and should be utilized to acquire the pump-out vessel. This grant will require a twenty-five percent (25%) County match. The Boating Improvement Fund (BIF) may be use to provide the required match.

Annual costs may be borne using ad valorem funds or the County's discretionary portion of the Boating Improvement Fund. The discretionary portion of the BIF is

that portion adopted in Ordinance 034-2002 (December 2002) which increased boat registration fees in accordance with Florida Statutes 328.66. The entire revenue stream generated as part the BIF program is approximately \$580,000 per year. Approximately half of that amount is available as the County's discretionary BIF dollars (\$290,000). In the long run, dedicating ad valorem revenues may be the better approach as the BIF dollars are currently being stretched, even with the increased amount approved by the Board in Ordinance 034-2002. In particular, once again the legislature did not approve funds specific to Derelict Vessel removal (FY 05), requiring that staff will continue to use BIF dollars to fund this effort (approximately \$150K / year). In addition, staff has a number of boat ramp rehabilitation projects in the works which will require significant capital to fund.

Figures provided in Attachment 1 are solid projections of the cost of running the pump-out vessel in the first three years. Staff has provided a three year projection as defined costs for the project will change during that time frame. For instance, in the first year the County will be required to provide grant match money for the purchase of the waste pump-out vessel. In the third year, grants that the County currently has to offset the costs of waste haul-out to the County's waste transfer stations will be depleted. Thus, the full burden of cost of waste haul-out to the transfer stations will impact net program costs.

Revenues from the program are estimated to be approximately \$13,000 per year. This figure is derived based on the estimated waste pump-outs per year (2,600) at a cost to the user of \$5.00 per pump-out.

In general, the projected cost of the program is approximately \$72,000 per year. The average net cost of the program is approximately \$58,000. A cost projection and break-down are provided below.

## Attachment 1

### Program Cost Projections Purchase, Maintenance, & Staffing of Waste Pump-out Boat

#### Estimated First Year One-time Costs

Boat / Trailer	\$60,000 – 80,000
CVA Grant	\$45,000 – 60,000
County BIF Fund	\$15,000 – 20,000
Total	\$60,000 – 80,000
Total to County	\$15,000 – 20,000

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#### Estimated Annual Costs

##### Salary and Related Benefits

Salary (1 person - Level 7)	\$29,361
Medical Benefits	\$ 9,480
FICA	\$ 2,246
Workman's Comp.	\$ 2,980
Retirement	\$ 2,558
Sub-total	\$46,895

##### Insurance

Hull Coverage	\$ 1,500
P & I	\$ 1,000
Pollution	\$ 500
Jones Act	\$ 1,500 per employee
Sub-total	\$ 4,500

##### O & M – Boat, pumps, holding tanks

Fuel (520 Hours) <sup>1</sup>	\$ 2,500
Regular Main. <sup>2</sup>	\$ 1,200
Warranty Main. <sup>3</sup>	\$ 1,500
Additional Main.	\$ 1,000
Sub-total	\$ 6,200

Waste Haul-out Costs (\$0.22 / gal) <sup>4</sup>	\$11,440
Sub-total	\$11,440

Other

Basic boat equipment <sup>5</sup>	\$ 1,500
Pollution prevention materials	\$ 500
Bio-bugs for boat holding tanks <sup>6</sup>	\$ 1,500
Sub-total	\$ 3,500

**Total (1<sup>st</sup> year) \$61,095**

**Total (2<sup>nd</sup> year) \$60,095**

**Total (Subsequent years) \$71,535**

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**Estimated Revenues**

Revenues<sup>7</sup> \$13,000

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**Net Costs**

**Year one**

Total Estimated Costs	\$81,095
Total Estimated Revenues	\$13,000
<b>Net Estimated Cost</b>	<b>\$68,095</b>

**Year two**

Total Costs	\$60,095
Total Revenues	\$13,000
<b>Net Estimated Cost</b>	<b>\$47,095</b>

**Year three**

Total Costs	\$71,535
Total Revenues	\$13,000
<b>Net Estimated Costs</b>	<b>\$58,535</b>

Foot notes:

1. Assumes 2 gallons per hour and a cost of \$2.25 per gallon (average of County and private cost per gallon. Also includes the cost of oil.
2. Regular oil change each 100 hours of use and change of lower unit fluids at each 200 hours of use. Assumes that Public Works employees would be certified to carry out basic maintenance obligations.
3. Assumes approximately \$750 per occurrence done semi-annually
4. Assumes approximately 1,000 gallons per week – Free for the first year to two years (CVA grant funding will cover the cost).
5. Used to “sweeten” holding tanks between and at time of pump-out.
6. Assumed to be high in the first year (\$1,500) and less in the 2<sup>nd</sup> and 3<sup>rd</sup> years (\$500).
7. Assumes 1,000 gallons per week at 20 gallons per holding tank (pump-out) and \$5 per pump-out